

State of Wisconsin

SENATE CHAIR
Howard Marklein

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Phone: (608) 266-0703



ASSEMBLY CHAIR
Mark Born

308 East, State Capitol
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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: September 27, 2021

Re: 14-Day Passive Review Approval – DOA

Pursuant to s. 79.10(11), Stats., attached is a 14-day passive review request from the Department of Administration, received on September 27, 2021.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Wednesday, October 13, 2021**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB:jm



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary

September 24, 2021

SEP 27 2021

St. Finance

The Honorable Howard Marklein, Senate Co-Chair
Joint Committee on Finance
316 East, State Capitol
Madison, WI 53707

The Honorable Mark Born, Assembly Co-Chair
Joint Committee on Finance
308 East, State Capitol
Madison, WI 53708

Dear Senator Marklein and Representative Born:

Under s. 79.10(11), Wisconsin Statutes, the Department of Administration must submit to the Joint Committee on Finance its estimate of the total funds available for distribution under the lottery and gaming credit.

Total funds available equal net lottery proceeds and interest plus net racing and bingo proceeds less the amounts expended for gaming enforcement and lottery credit administration. A 2 percent reserve of estimated gross revenues is also required under s. 20.003(5), Wisconsin Statutes.

The department estimates \$343,607,325 will be available for distribution in December 2021. A more detailed calculation of this estimate is attached for your review.

Following the Committee's approval or revision of the estimate, the department will inform the Department of Revenue of the total amount available for the lottery and gaming credit. The Department of Revenue will then calculate the estimated fair market value necessary to distribute the total amount of revenue available.

Sincerely,

Joel T. Brennan
Secretary

Enc.

cc: Members, Joint Committee on Finance
Peter Barca, Secretary of Revenue

Lottery Fund Condition Statement

Last Update: 9/21/2021

	ACTUAL 2020-21	PROJECTED 2021-22
FISCAL YEAR OPENING BALANCE	\$ 16,480,205	\$ 80,466,559
GROSS REVENUES - OPERATING		
Ticket Sales		
Scratch Games	\$ 634,653,960	\$ 574,120,260
Pull-Tab Games	\$ 525,015	\$ 711,387
Lotto Games	\$ 259,362,390	\$ 256,180,021
Total Ticket Sales	\$ 894,541,365	\$ 831,011,668
Retailer Fees & Miscellaneous Revenue	\$ 354,876	\$ 283,400
TOTAL GROSS REVENUES - OPERATING	\$ 894,896,241	\$ 831,295,068
EXPENDITURES		
Prizes	\$ 559,692,917	\$ 520,332,088
Retailer Compensation - SEG	\$ 14,845,018	\$ 6,310,270
Retailer Compensation - GPR	\$ 47,980,700	\$ 52,046,700
Vendor Fees - SEG	\$ 7,027,390	\$ 2,744,200
Vendor Fees - GPR	\$ 17,826,000	\$ 20,828,300
General Program Operations - SEG	\$ 12,424,220	\$ 20,507,843
General Program Operations - GPR	\$ 5,966,542	\$ -
Lottery Credit Administration	\$ 244,584	\$ 316,900
Gaming Law Enforcement	\$ 465,366	\$ 457,000
Banking Fees & Misc Expenses	\$ 30	\$ 200
Program Reserves		\$ 155,700
TOTAL EXPENDITURES - GPR	\$ 71,773,242	\$ 72,875,000
TOTAL EXPENDITURES - SEG	\$ 594,699,525	\$ 550,824,202
NET SEG PROCEEDS	\$ 300,196,716	\$ 280,470,866
Interest Earnings	\$ 89,801	\$ 60,400
Gaming Revenue Transfer In	\$ -	\$ -
TOTAL AVAILABLE FOR TAX RELIEF	\$ 316,766,722	\$ 360,997,825
APPROPRIATIONS FOR TAX RELIEF		
Lottery and Gaming Credit	\$ 235,535,559	\$ 343,607,325
Late Lottery & Gaming Credit Applications	\$ 764,605	\$ 764,600
Farmland Tax Relief Credit	\$ -	\$ -
TOTAL APPROPRIATIONS FOR TAX RELIEF	\$ 236,300,163	\$ 344,371,925
Gross Closing Balance	\$ 80,466,559	\$ 16,625,900
Reserve (2% of Gross Revenues-Operating)	\$ 17,897,900	\$ 16,625,900
NET CLOSING BALANCE	\$ 62,568,659	\$ -